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C O N F I D E N T I A L SECTION 01 OF 03 LAGOS 001982

SIPDIS

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TAGS: MOPS CASC EPET AA PGOV NI SUBJECT: DELTA VIOLENCE UPDATE FOR SEPTEMBER 28

REF: A. LAGOS 1978 ¶B. ABUJA 1656 ¶C. ABUJA 1486 1D. LAGOS 1892 1E. LAGOS 1820

Classified By: Consul General Brian L. Browne for Reasons 1.5 (B & D)

Summary

11. (C) GON military efforts (Operation Flush Out 3) to combat Delta militants continue. Oil companies are monitoring the situation closely, and are not dismissive of the threats by Niger Delta People's Volunteer Force (NPDVF) leader Asari. Beyond Shell's decision to evacuate workers from two stations last week, most of the major oil companies are not intending any evacuation or diminution of production. However, they have instituted a number of precautionary measures, including requesting personnel to minimize travel. Shell confirmed the violence has resulted in a small production loss of about 50,000 barrels/day of the one million barrels/day it produces. Mission has 437 Amcits registered as living in the Port Harcourt area, most of whom work for energy sector companies with which our ACS unit is keeping close contact.

Security Update

- 12. (C) Abuja Pol/Mil officer met Principal Staff Officer Group Captain Labaran on the Chief of Defense Staff at the Defense Ministry on September 28. Labaran said the military in the Delta has been taking orders directly from President Obasanjo, who telephones them when he is out of town. The GON effort is called "Operation Flush Out 3" and is limited to Rivers State. Labaran confirmed that the Army, Navy and Air Force are involved.
- 13. (C) Current operations involve helicopter gunships going down the creeks looking for "rebels," the contact reported, and the overall purpose of the operation is to re-establish law and order. Labaran was aware of the human rights angle (other sources tell us civilians have been hit by the helicopters), and said it was "a difficult balance" against the need to restore order. He claimed high morale among the GON troops engaged, but would not elaborate on their successes. Labaran advised Pol-Mil Off that expatriates should exercise caution and avoid unnecessary travel to avoid being seen as potential hostages by the rebels.

Reports from Major Energy Firms

- 14. (SBU) Shell: Shell's Managing Director (MD) that the company had evacuated flow stations in Soku and Ekulama (River State), due to the close proximity of these facilities to military operations. These evacuations were "localized" and not a sign that Shell was planning a wider evacuation. The MD stated that AMCITs were among those evacuated. He promised to covey exact numbers of AMCITs tomorrow.
- (SBU) Shell has seen press reports of Asari threats against the company, but has not received any threats directly. Thus far, there have been no signs on the ground of direct threats to Soku, Ekulama, or other Shell facilities in the general vicinity. Shell remained fully staffed in these other facilities. Shell has advised staff in these outlying facilities not to conduct any riverine travel, which has been the normal mode of their business transportation in the area. Evening travel has also been prohibited. For employees in the city of Port Harcourt, Shell is authorizing only essential travel around the city. The Shell MD also confirmed press reports of a small production loss, approximately 50,000 barrels/day, from the approximately 1 million barrels/day it was producing prior to the latest violence.
- (C) AGIP/ENI: Public Affairs spokesperson for AGIP confirmed that they are taking Asari's threats seriously, but they have not evacuated any staff. Production in Port Harcourt has not been affected. They employ a small number of AMCITs as contractors. An AGIP spokesperson confirmed to the Consulate General that the firm did not lend their helicopter for use in a military raid, as rebel leader Asari

- (SBU) Chevron/Texaco: Chevron Texaco's Managing Director for Offshore Operations reported Chevron was monitoring the situation closely, but had no plans to evacuate personnel, nor to lower production. He noted Chevron Texaco received frequent threats, and the company was accustomed to dealing with these difficulties. Chevron has two flow stations approximately five miles from where the military operations took place. There are roughly 120 staff at the two stations. Half of this number are security personnel. Of the 120, only a handful are expatriate. He stated that Chevron was in constant contact with the Nigerian military. If Chevron found out that the military operations were enlarging or moving to areas near their flow stations, Chevron would re-assess the situation.
- (C) Exxon Mobil: The Acting Managing Director for Exxon Mobil reported no plans to move or evacuate any personnel. He confirmed that Exxon Mobil has no production facilities in the Port Harcourt area. Its Nigerian production is off-shore. However, its Onne supply base, with over 200 employees, is close to Port Harcourt; Onne employees reside in Port Harcourt. The company also has a small fabrication facility in Port Harcourt, with about 40 employees. Of the roughly 250 employees working in these facilities, only about 20 are expatriates. Of these, half are American. Two weeks ago, Exxon Mobil increased its security alert from a level two to three. The company employs a four-tiered system, with four the highest alert. It imposed a travel ban in the area, but relaxed the ban last week to allow for essential travel only. Exxon Mobil does not plan to change its security alert or travel policy for now. The company plans to issue a communique, to employees telling them to exercise caution due 'national holiday." The External Relations Director to the for the company told us that Exxon Mobil has an up-to-date evacuation plan.

Reports from Independents and Oil Service Companies

- 19. (C) Halliburton: Acting Halliburton Security Director confirmed that all Halliburton employees working with Shell in the affected areas had been successfully evacuated.
 were Nigerian personnel. Security Director stated that Halliburton maintains current evacuation plans. He believes that Asari does not have more than 2000 men, and that the GON troops had scored some recent successes, destroying 5 rebel bases used by Asari.
- Panalpina: Panalpina Oil and Gas Sales Manager confirmed that his firm had noted a significant military presence in Port Harcourt. He explained that his office has only 8 expatriates in the Port Harcourt office; he is the only American in Nigeria employed by the firm. In the of an evacuation of energy firm personnel, Panalpina In the event personnel would stay behind to assist with the movements, as the majors depend on Panalpina transportation assets to move their personnel.
- 111. (SBU) Coopers Cameron: Coopers Cameron Manager explained that all Coopers Cameron facilities in Port Harcourt are guarded by mobile police. Coopers Cameron staff in Port Harcourt are all Nigerian, and after efforts to improve local content, all of their managers in Port Harcourt are also Nigerian. Coopers Cameron has banned all travel in and out of Port Harcourt until the present tensions cease. Echoing similar comments from other contacts, he noted that while staff felt secure in Port Harcourt itself, movements to and from the airport were not viewed as secure.

ACS Update

 $\underline{\ }$ 112. (C) Mission ACS unit confirmed that 437 AMCITs registered with post live in the Port Harcourt area. The vast majority work in the energy sector, and have access to some type of evacuation assistance via their employers. However, a small number are teachers, missionaries, or in other professions outside of the energy sector. There are also a number of dual nationals who usually do not register with the Consulate. It is difficult to determine the precise population of this category.

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